

Endowment Fund Investment Board

STARS Number & Budget Unit: 322 LABA, 322 LABB(Cont)

Bill Number & Chapter: H692 (Ch.163)

PROGRAM DESCRIPTION: Through active management of the endowment funds and the State Insurance Fund, the Endowment Fund Investment Board provides growth of principal to the funds and increased income to the funds' beneficiaries.

DIVISION SUMMARY:	FY 2001 Total Appr	FY 2001 Actual	FY 2002 Total Appr	FY 2003 Request	FY 2003 Gov Rec	FY 2003 Approp
BY FUND SOURCE						
Dedicated	596,900	546,800	604,500	594,300	587,600	587,600
Percent Change:		(8.4%)	10.6%	(1.7%)	(2.8%)	(2.8%)
BY EXPENDITURE CLASSIFICATION						
Personnel Costs	382,800	350,000	403,400	393,400	390,000	390,000
Operating Expenditures	205,900	188,700	192,100	196,400	193,100	193,100
Capital Outlay	8,200	8,100	9,000	4,500	4,500	4,500
Total:	596,900	546,800	604,500	594,300	587,600	587,600
Full-Time Positions (FTP)	5.50	5.50	5.50	5.00	5.00	5.00

In accordance with Section 67-3519, Idaho Code, this division is authorized no more than 5 full-time equivalent positions at any point during the period July 1, 2002 through June 30, 2003 for the programs specified.

DECISION UNIT SUMMARY:	FTP	General	Dedicated	Federal	Total
FY 2002 Original Appropriation	5.50	0	604,500	0	604,500
Expenditure Adjustments	(0.50)	0	(15,100)	0	(15,100)
FY 2002 Estimated Expenditures	5.00	0	589,400	0	589,400
Removal of One-Time Expenditures	0.00	0	(9,000)	0	(9,000)
FY 2003 Base	5.00	0	580,400	0	580,400
Personnel Cost Rollups	0.00	0	1,700	0	1,700
Replacement Items	0.00	0	4,500	0	4,500
Nonstandard Adjustments	0.00	0	1,000	0	1,000
Fund Shifts	0.00	0	0	0	0
FY 2003 Total Appropriation	5.00	0	587,600	0	587,600
Change From FY 2002 Original Approp.	(0.50)	0	(16,900)	0	(16,900)
% Change From FY 2002 Original Approp.	(9.1%)		(2.8%)		(2.8%)

APPROPRIATION HIGHLIGHTS: The Endowment Fund Investment Board voluntarily returned one-half full-time position and related funding for an accounting position that was approved but never filled. Personnel benefit costs were funded. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but agencies may pay state employee compensation increases from salary savings. Nonstandard adjustments reflect interagency billing changes. The budget included a fund shift of \$13,500 from state insurance funds to endowment administrative funds to bring the proportion of endowment funds to 76% of the budget.

LEGISLATIVE INTENT: Allows continuous appropriation authority for consulting fees, bank custodial fees, and portfolio-related external costs.

Also, the bill lists the amounts the Land Board will transfer to the Endowment Income Funds for FY 2003. These are the amounts that JFAC used to set the budgets for Public Schools, College and Universities, School for the Deaf and Blind, Health and Welfare, Veterans Services, and Corrections. The endowment has suffered losses in the stock market during the last year and has modified the spending plan downward. The transfers from the earnings reserves to the income funds for FY 2003 reflect a \$4.3 million decrease for public schools and a \$2.1 million decrease for the other endowment beneficiaries from the amount being transferred in the current year.

It is legislative intent that for fiscal year 2003, the Endowment Fund Investment Board transfer \$63,238,000 as follows: \$43,313,000 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$1,139,000 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$4,070,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$3,695,000 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$1,358,000 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$4,254,000 from the School of Science Earnings Reserve Fund to the School of Science Income Fund; \$1,905,000 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$3,504,000 from the University Earnings Reserve Fund to the University Income Fund.

FY 2003 APPROPRIATION:	FTP	Pers. Cost	Oper Exp	Cap Out	T/B Pymnts	Lump Sum	Total
D 0349-00 Miscellaneous Rev	2.00	99,400	40,900	0	0	0	140,300
OT D 0349-00 Miscellaneous Rev	0.00	0	0	1,100	0	0	1,100
D 0482-70 Endowment Admin.	3.00	290,600	152,200	0	0	0	442,800
OT D 0482-70 Endowment Admin.	0.00	0	0	3,400	0	0	3,400
Totals:	5.00	390,000	193,100	4,500	0	0	587,600